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CR-24-08132-TUC-RM (EJM)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States of America,

Plaintiff,

vs.

Elizabeth Gutfahr,

Defendant.

FELONY
I N F O R M A T I O N

Violations:

18 U.S.C. § 666(a)(1)(A)
(Embezzlement by a Public
Official)
(Felony)
(Count 1)

18 U.S.C. § 1956(a)(1)(B)(i)
(Money Laundering)
(Felony)
(Count 2)

26 U.S.C. § 7201
(Tax Evasion)
(Felony)
(Count 3)

THE UNITED STATES CHARGES:

At all relevant times to this Information:

Introductory Allegations

1. Defendant, ELIZABETH GUTFAHR (“GUTFAHR”), was a resident of

1 Santa Cruz County, Arizona.

2 2. Defendant GUTFAHR was the elected Santa Cruz County (“County”),
3 Arizona, Treasurer from approximately January 2013 until her resignation on or about
4 April 12, 2024.

5 3. Before being elected Treasurer, defendant GUTFAHR worked for a real
6 estate and land development company and became experienced with accounting.

7 4. As Treasurer, defendant GUTFAHR was an agent for the County; defendant
8 GUTFAHR was entrusted with the collection of real and personal property taxes and the
9 safeguarding of these public funds for the use and benefit of County entities, including
10 school and fire districts.

11 5. As Treasurer, defendant GUTFAHR maintained the County’s JP Morgan
12 Chase bank accounts, including a checking account ending in 2669 (the “Chase Checking
13 Account”), and a savings account ending in 6320 (the “Chase Savings Account”).

14 6. Beginning on or about January 8, 2013, defendant GUTFAHR became a
15 signer on the County’s Chase Savings and Checking Accounts.

16 7. The Santa Cruz County Treasurer’s Office (“Treasurer’s Office”) is located
17 within Santa Cruz County at the Santa Cruz County Complex in Nogales, Arizona.

18 **Defendant GUTFAHR’S Business Names and Bank Accounts**

19
20 **Rio Rico Real Estate and Consulting**

21 8. Defendant GUTFAHR held an Arizona self-employed real estate broker’s
22 license from approximately 2008 until it expired on December 31, 2012, with an associated
23 business name and address of Rico Real Estate and Consulting on Camino Kansas in Rio
24 Rico, Arizona, which was also defendant GUTFAHR’s residence.

25 9. On or about February 23, 2011, defendant GUTFAHR opened a Wells Fargo
26 business checking account ending in 8516, under the name “Elizabeth Gutfahr, DBA Rio
27 Rico Real Estate and Consulting,” as the sole proprietor and sole signer on the account (the
28 “Wells Fargo Account”).

1 10. The business account application for defendant GUTFAHR's Wells Fargo
2 Account stated that Rio Rico Real Estate and Consulting was a real estate sales and
3 consulting business.

4 11. However, as of January 25, 2024, the Arizona Department of Economic
5 Security had no record of a business with the name Rio Rico Real Estate and Consulting.

6 12. Rio Rico Real Estate and Consulting was not registered with the Arizona
7 Corporation Commission.

8 13. Rio Rico Real Estate and Consulting was not registered with or assigned an
9 Employer Identification Number ("EIN") with the Internal Revenue Service ("IRS").

10 14. On or about March 12, 2024, defendant GUTFAHR's Wells Fargo Account
11 was closed.

12
13 **Rio Rico Consulting, LLC**

14 15. On or about January 29, 2024, defendant GUTFAHR opened a BMO bank
15 business checking account, account ending in 6896, under the name Rio Rico Consulting,
16 LLC (the "BMO Account").

17 16. The name Rio Rico Consulting, LLC, was not located during a search of the
18 Arizona Corporation Commission's business database.

19
20 **Double D Cattle Company of Santa Cruz County, LLC**

21 17. On or about May 24, 2019, defendant GUTFAHR formed the Double D
22 Cattle Company of Santa Cruz County, LLC.

23 18. On or about August 9, 2019, defendant GUTFAHR opened a business
24 checking account ending in 0207 under the name Double D Cattle Company of Santa Cruz
25 County, LLC at Wells Fargo Bank (the "Double D Account"). Defendant was listed on
26 the account application as a co-owner with control of the entity and was also a signer on
27 the account.
28

Rancho San Cayetano

19. On or about October 15, 2019, defendant GUTFAHR formed Rancho San Cayetano, LLC, located in Tumacacori, Arizona.

20. Rancho San Cayetano is a horse boarding facility with approximately 9,000 square feet of structures, including defendant GUTFAHR's personal residence.

21. On or about October 23, 2019, defendant GUTFAHR opened a business checking account ending in 2048 under the name Rancho San Cayetano, LLC, at Wells Fargo Bank (the "Rancho San Cayetano Account").

22. Rancho San Cayetano, LLC, operates as a horse boarding business.

The Scheme to Defraud the People of Santa Cruz County

The Fraudulent Wire Transfers

23. Between on or about March 13, 2014, through on or about March 28, 2024, defendant GUTFAHR, using her position of trust as the Santa Cruz County Treasurer, stole approximately \$38,712,100.00 in public funds.

24. Defendant GUTFAHR fraudulently wired the public funds from the County's Chase Savings and Checking Accounts to her Wells Fargo Account and her BMO Account using approximately 187 wire transfers to steal the County's funds in each of the years, as follows:¹

¹ A total of 186 wire transfers were drawn on the County's Chase Savings Account. Only one (1) wire transfer was drawn on the County's checking account on November 2, 2021, in the amount of \$225,000.00.

Year	Number of Wire Transfers	Amount Embezzled
2014	6	\$386,100.00
2015	12	\$948,000.00
2016	13	\$920,000.00
2017	18	\$1,970,000.00
2018	23	\$2,160,000.00
2019	24	\$3,560,000.00
2020	26	\$4,525,000.00
2021	18	\$4,913,000.00
2022	18	\$5,165,000.00
2023	21	\$11,350,000.00
2024	8	\$2,815,000.00
Total	187	\$38,712,100.00

25. Defendant GUTFAHR wire transferred all the public funds that she embezzled to her Wells Fargo Account until on or about January 30, 2024, when defendant GUTFAHR began to wire transfer the stolen public funds to her BMO Account, which defendant GUTFAHR opened on or about January 29, 2024.

26. Defendant GUTFAHR was able to wire transfer the funds that she embezzled to her Wells Fargo and BMO Accounts by fraudulently circumventing a two-step approval process used by Santa Cruz County to initiate and approve the wire transfer of County funds. The two-step approval process for wire transfers required that the Chief Deputy Treasurer (“Chief Deputy”) initiate a wire transfer using a computer token assigned to the Chief Deputy for this purpose. After the Chief Deputy initiated a wire transfer, the Treasurer approved the wire transfer using a separate computer token assigned to the Treasurer for the approval process. This process meant that the same person could not both initiate and approve any one wire transfer.

27. However, defendant GUTFAHR fraudulently subverted the two-step approval process by using the Chief Deputy’s assigned computer token to initiate wire transfers that defendant GUTFAHR would then approve.

1 28. The wire transfer of County funds could only be completed at the Treasurer's
2 Office.

3
4 **Defendant GUTFAHR's Ongoing Concealment of the Embezzlement**

5 29. Defendant GUTFAHR engaged in ongoing fraudulent practices to hide the
6 true purpose of the fraudulent wire transfers and conceal her thefts over time.

7 30. Defendant GUTFAHR lied to the County's Chief Deputy to explain the wire
8 transfers to defendant GUTFAHR's Wells Fargo Account by telling the Chief Deputy that
9 the account was a County savings account used to earn interest for the County.

10 31. However, no legitimate purpose existed for defendant GUTFAHR's
11 fraudulent wire transfers of the public funds to defendant GUTFAHR's Wells Fargo and
12 BMO Accounts.

13 32. Neither Rio Rico Real Estate and Consulting (business name on the Wells
14 Fargo Account) or Rio Rico Consulting, LLC (business name on the BMO Account)
15 performed services for Santa Cruz County.

16 33. Instead, defendant GUTFAHR fraudulently used the Rio Rico Real Estate
17 and Consulting name on the Wells Fargo Account and the business name Rio Rico
18 Consulting, LLC, on the BMO Account to conceal the embezzlement of public funds by
19 making it appear that the transfers had a legitimate business purpose for the County.

20 34. Defendant GUTFAHR repeatedly concealed her thefts by excluding the
21 fraudulent wire transfers from the County's accounting system and by falsely inflating cash
22 reconciliation balances from at least 2018 through 2023 to conceal the diminishing cash
23 balances caused by her embezzlement.

24 35. From about 2018 through 2020, defendant GUTFAHR repeatedly falsified
25 cash reconciliation reports to conceal her thefts. Defendant GUTFAHR manipulated the
26 cash reconciliation records by falsely reporting that some payments for County expenses,
27 although posted to the bank accounts, had not been recorded on the County general ledger,
28 all while defendant GUTFAHR knew that the payments had been posted to the County's

1 general ledger.

2 36. From about 2021 to 2023, defendant GUTFAHR falsified the cash
3 reconciliation reports by reporting that the County had an investment account at UBS
4 Financial Services with a balance of \$14,000,000.00; \$17,200,000.00; and \$26,531,512.60
5 as of June 30 for each of the years 2021 through 2023. In support of these false investment
6 balances, defendant GUTFAHR created false UBS statements reflecting these false
7 investment amounts to conceal the millions of dollars she had stolen from the people of
8 Santa Cruz County.

9
10 **Defendant GUTFAHR'S Personal Enrichment with the Public Funds**

11 37. Approximately 97% of all deposits into defendant GUTFAHR's Wells Fargo
12 Account and BMO Account were stolen from the County's Chase Savings and Checking
13 Accounts.

14 38. Defendant GUTFAHR used the millions of dollars of stolen money she
15 deposited into the Wells Fargo and BMO Accounts for gross personal enrichment,
16 including, but not limited to, the purchase of real property described below.

17 39. On or about January 29, 2019, defendant GUTFAHR withdrew
18 approximately \$670,579.53 of stolen public funds from her Wells Fargo Account, Check
19 Number 1929, for the purchase of Property A on San Gertrudis Lane, Tumacacori, Arizona,
20 with a sales price of approximately \$1.2 million.

21 40. On or about March 27, 2019, defendant GUTFAHR withdrew approximately
22 \$96,200.05 of stolen public funds in cash from her Wells Fargo Account to obtain a
23 cashier's check to purchase Property B on San Gertrudis Lane, Tumacacori, Arizona,
24 selling for approximately \$800,000.00.

25 41. On or about August 15, 2019, defendant GUTFAHR withdrew
26 approximately \$757,536.29 in stolen public funds from her Wells Fargo Account, Check
27 Number 2257, for the purchase of defendant GUTFAHR's Rancho San Cayetano ranch,
28 with a sales price of approximately \$2.7 million. The buyer was defendant GUTFAHR's

1 Double D Cattle Company of Santa Cruz County, LLC (later the Gutfahr Land and Cattle
2 Company).

3 42. Defendant GUTFAHR paid a home remodeler with the public funds that she
4 stole from the County and has described the remodel of her Rancho San Cayetano
5 premises, as a “huge overhaul” that included new plumbing, new floors, and new
6 electrical.



20
21 43. On or about May 25, 2021, defendant GUTFAHR withdrew approximately
22 \$568,899.95 in stolen public funds in cash from defendant GUTFAHR’s Wells Fargo
23 Account to obtain a cashier’s check, remitter Double D Cattle Company of Santa Cruz
24 County, for the cash purchase of Property C on Duquesne Road, Patagonia, Arizona.

25 44. Between March 13, 2014, and March 28, 2024, defendant GUTFAHR also
26 used stolen public funds from her Wells Fargo Account and her BMO Account to pay her
27 American Express personal and business credit card accounts for Rancho San Cayetano
28 and Rio Rico Real Estate, accounts ending in 901002, 712003, 566003, 564008, 362000,

092006, in the total amount of approximately \$7,323,494.97.

45. Between on or about March 13, 2014, and March 12, 2024, defendant GUTFAHR withdrew a total of approximately \$17,363,738.00 in cash and checks from the stolen public funds in her Wells Fargo Account and BMO Account.

46. Defendant GUTFAHR used the stolen public funds to pay for the expenses of the Double D Cattle Company and Rancho San Cayetano, including payments to livestock companies, and for hay and veterinary bills.

47. Defendant GUTFAHR also fraudulently used the stolen public funds to purchase numerous vehicles, including, but not limited to Jeeps, Ford trucks, a Mercedes Benz, Cadillacs, and an Airstream touring coach.

Defendant's GUTFAHR's Tax Evasion

48. The Internal Revenue Service (IRS) was an agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States and collecting taxes owed to the United States.

49. The tax laws of the United States require every citizen and resident of the United States who receives income in excess of the minimum filing amount established by law for a particular tax year to make and file annually a Form 1040, U.S. Individual Income Tax Return ("Form 1040"), wherein a taxpayer reports certain required items including income, and any tax due and owing.

50. Defendant GUTFAHR was a citizen of the United States.

51. Between on or about March 13, 2014, and on or about March 28, 2024, Defendant GUTFAHR transferred the \$38,712,100.00 that she stole from the County to Defendant GUTFAHR's bank accounts under the names Rio Rico Consulting and Real Estate (the Wells Fargo Account) and Rio Rico Consulting (the BMO Account) to willfully attempt to evade and defeat the payment of income tax.

52. Defendant GUTFAHR did not file a Form 1040 for any of the calendar years 2014 through 2023, and the resultant tax due and owing is approximately \$13,143,526.00.

Count 1
18 U.S.C. § 666(a)(1)(A)
(Federal Program Theft – Embezzlement by a Public Official)

The Introductory Allegations in paragraphs 1 through 22 and the Scheme to Defraud in paragraphs 23 through 47 are re-alleged and incorporated as to Count 1, as if set forth in full herein.

53. On or about November 21, 2019, through on or about March 28, 2024, in the District of Arizona, the defendant, ELIZABETH GUTFAHR, being an agent of Santa Cruz County, said County receiving in the one year periods in 2019, 2020, 2021, 2022, 2023, and 2024, benefits in excess of \$10,000.00, under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other form of Federal assistance, embezzled and stole property, that is, U.S. Currency, worth more than \$5,000.00, and owned by and under the care, custody, and control of Santa Cruz County, Arizona, as further described below.

Date	Amount
November 21, 2019, to December 31, 2019	\$325,000.00
2020	\$4,525,000.00
2021	\$4,913,000.00
2022	\$5,165,000.00
2023	\$11,350,000.00
January 1, 2024, to March 28, 2024	\$2,815,000.00
TOTAL	\$29,093,000.00

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

Count 2
18 U.S.C. § 1956(a)(1)(B)(i)
(Money Laundering)

The Introductory Allegations in paragraphs 1 through 22 and the Scheme to Defraud in paragraphs 23 through 47 above are re-alleged and incorporated as to Count 2, as if set forth in full herein.

54. On or about March 2, 2021, in the District of Arizona, the defendant, ELIZABETH GUTFAHR, did knowingly and willfully conduct a financial transaction affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of said specified unlawful activity and that while conducting such financial transactions, knew that the property involved in the financial transaction, that is, monetary instruments, represented the proceeds of some form of unlawful activity, that is, on or about March 2, 2021, defendant GUTFAHR completed an online transfer in the amount of \$91,242.85, the proceeds of wire fraud, from defendant GUTFAHR's Rio Rico Real Estate and Consulting Wells Fargo account ending in 8516, to defendant GUTFAHR's Double D Cattle Company of Santa Cruz County, LLC, Wells Fargo account ending in 0207; and, on the same day purchased a 2021 Ford F350, VIN number ending 0993, from Horne Ford of Nogales, with Check Number 1085, dated March 2, 2021, drawn on Wells Fargo Account ending in 0207, in the amount of \$91,242.85, all to conceal the nature, location, source, ownership and control of the proceeds of wire fraud.

All in violation of Title 18, United State Code, Section 1956(a)(1)(B)(i).

Count 3
26 U.S.C. § 7201
(Tax Evasion)

The Introductory Allegations in paragraphs 1 through 22, the Scheme to Defraud in paragraphs 23 through 47, and the Tax Evasion allegations in paragraphs 48 through 52 are re-alleged and incorporated as to Count 3 as if set forth in full herein.

55. From on or about March 13, 2014, through on or March 28, 2024, the defendant, ELIZABETH GUTFAHR, in the District of Arizona, and elsewhere, willfully attempted to evade and defeat the payment of income tax due and owing by defendant GUTFAHR to the United States of America for the tax year 2023, by committing the following affirmative act, among others:

- a. Defendant GUTFAHR concealed a source of income when defendant GUTFAHR directed wire transfers from the Santa Cruz County JP Morgan Chase savings account ending in 6320 and checking account ending in 2669 to defendant GUTFAHR's Wells Fargo Bank Rio Rico Real Estate and Consulting account ending in 8516.

All in violation of Title 26, United States Code, Section 7201.

Dated this 19th day of November, 2024.

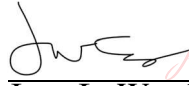
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